

Rhode Island Economic Development Corporation

Enterprise Zone Council

Minutes of Meeting of November 24, 2009

RIEDC: Providence Room

315 Iron Horse Way, Suite 101

Providence, RI 02908

In attendance:

COUNCIL AFFILIATION

M. Wood League of Cities and Towns

D. Varin Vice Chairman

D. Langley Urban League of Rhode Island

B. Parsons RIEDC

OTHER AFFILIATION

V. Barros RIEDC

M. Godin NEEDS, Inc.

W. Clark Town of Portsmouth

Bob Driscoll Town of Portsmouth

B. Gilstein Town of Portsmouth

C. Spencer Town of Tiverton

J. Goncalo Town of Tiverton

J. Garrahy Moses & Afonso, LTD

J. Thomas Town of West Warwick

L. Diboni City of Cranston

At 10:05 Mr. Varin called the meeting the Rhode Island Enterprise Zone to order and announced that there was a quorum present.

The first order of business before the Council were Minutes from the August 25, 2009 Public Hearing and Council Meeting.

Mr. Parsons made a motion to approve the minutes for both meeting as presented, the motion was seconded by Mr. Wood.

Mr. Varin asked if there was any further discussion of the minutes. There being none all voted in favor, the motion was approved unanimously.

The next order of business before the Council was 2009 Recommendations for Membership.

Mr. Varin directed the Council's attention to a revised list that was distributed prior to the start of the meeting. He stated that three (3) businesses were added to the list of business recommended for membership. The businesses added were: All State Insurance from the Cranston EZ, Susan's Restaurant from the Portsmouth/Tiverton EZ and RT Nunes & Sons from the Woonsocket/Cumberland EZ. Mr. Barros added that staff had reviewed the application and

recommended approval of all fourteen new member businesses bring the year-to-date total to fifty-five (55) new member businesses for 2009.

Mr. Wood asked how the number of new member businesses for 2009 compared with that of previous years. Mr. Barros stated that it appeared to my consistant with other years, and that on any given year the program enrolls somewhere between 45-60 new businesses per year.

Mr. Parsons made a motion to approve the recommendations for membership as amended. The motion was seconded by Mr. Wood. Mr. Varin asked if there was any additional comments or questions.

There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was 2008 Recommendations for Certification.

Mr. Varin stated that a revised list of recommendations of certification was distributed prior to the start of the meeting. The revision included one additional company, ARS, Inc., from the Mt. Hope Enterprise Zone. Mr. Barros stated that staff recommended approval of the revised list bring the year-to-date total to seventy-one (71) businesses approved for 2008 tax certification resulting in four hundred and

fifty-four (454) new full-time jobs.

Mr. Varin asked for a motion to approve the 2008 recommendations for certification. Mr. Langley made the motion to approve the recommendations for certification as amended. The motion was seconded by Mr. Wood. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was the Re-designation of the East Providence Enterprise Zone.

Mr. Barros explained to the Council that the city of East Providence was requesting a 5-year redesignation of the zone and proposing a modification to the existing boundaries of the zone. The city was requesting that census tract 103 be added to the zone, replacing census tract 106. Mr. Barros stated that he asked Mr. Garrahy to review the request from the perspective of the Council's authority to amend the census tracts of an existing zone. Mr. Garrahy concluded that it was within the Council's authority provided that the modification of the zone abided by the rule of more no than five contiguous census tracts, and that census tracts being considered met criteria as a economically distressed census tract.

Mr. Garrahy asked if there would any business displaced from the program due to the elimination of census tract 106.

Mr. Barros stated the both he and Mr. Moran checked into that issue and found that there were no businesses in census tract 106 currently enrolled in the program. Therefore no businesses would be displaced or told that they were no longer physically located within a state designed enterprise zone.

Mr. Moran thanked the Council for the opportunity to address the Council and presented the city's request for a 5-year redesignation of the zone. He stated that the city had been an state designated enterprise zone since 1995 and considers enterprise zone status as an important part of the city economic development activities and efforts.

He explained that census tract 106 consist primarily of Riverside Square located in Riverside portion of the city. That tract is made up on mostly retail 'mom and pop' types of businesses and interest and participation in the enterprise zone program has been very limited. Census tract 103 is much more industrial and commercial area that was very healthy in 1995 and the statistics really did not support including in the zone at that time. The situation is vastly different now. Vacancy are significant high in census tract 103 that includes the East Providence 'auto mile'. The city hopes that designating census tract 103 as an enterprise zone will help to combat these vacancy trends and attract businesses into these industrial and commercial locations.

Mr. Parsons remarked that there was a lot of vacant space in that census tract. Mr. Moran stated that there is an excess of over 200,000 square foot of vacant space.

Mr. Moran directed the Council's attention to a chart that illustrated the distressed criteria for census tract 103. He pointed out the percent of households below the poverty rate is the highest of all the enterprise zone census tracts at 16%, unemployment is second highest at 7.22% and overcrowded housing is the highest at 1.26%.

Mr. Moran stated that the city feels strongly that the greatest benefit to the city's economic development success would be to transfer the enterprise zone benefit from 106 to 103.

Mr. Moran continue to provide an general overview of the city's redesignation request, adding the one of the city's largest employers, the Bank of America (B of A Call Center), utilizes the program and enterprise zone status factored in to their decision to locate in the city and hire more than 1,000 new employees at their highest point. He talked about the city's investment in the Waterfront District and its relationship to the enterprise zone program.

Mr. Langley asked why the city did not chose to replace census tract 101.01 instead of 106 because the prior seemed to be less distressed than 106 which is being targeted for elimination.

Mr. Moran responded by saying that the level of business

participation was a major factor in the decision of what census tract would be eliminated to make room for census tract 103.

A general discussion ensued about various ongoing economic development projects in the city.

Mr. Varin asked about the city's loan programs that were mentioned in the redesignation proposal, specifically how they were capitalized.

Mr. Moran stated the commercial/industrial loan program (\$10,000-\$100,000) has been fairly active including a recent loan to Lucky's Restaurant. The micro-loan program has been less active, partly due to the process that involved a technical assistance requirements.

Mr. Moran added that the loan program's were originally capitalized with funding from Urban Development Action Grant in the 1980's. They are city funds that the city controls and they are not attached to any Federal guidelines.

Mr. Varin asked about the expedited permitting as it relates to the waterfront special development district.

Mr. Moran explained that under the regulations that were written for the legislation for the city's waterfront district, the guidelines for the timelines were established at 45 days.

Mr. Varin asked for a motion to approve the re-designation of the East Providence Enterprise Zone for an additional 5 years and the proposed modification to the zone replacing census tract 106 with census tract 103. Mr. Langley made the motion. The motion was seconded by Mr. Parsons. Mr. Varin asked if there was any further discussion. There being none, all voted in favor of the motion and the motion passed unanimously.

The next order of business before the Council was the Re-designation of the Portsmouth/Tiverton Enterprise Zone.

Mr. Varin introduced Bill Clark, the local point of contact and director of business development for the town of Portsmouth. Mr. Clark then introduced Chris Spencer, the Tiverton town planner, Jim Goncalo, the Tiverton town administrator, Bob Driscoll, the Portsmouth town administrator and Bob Gilstein, the Portsmouth town planner.

Mr. Clark talked about several different projects going on in the town of Portsmouth including the various wind turbines projects like the one at an local enterprise zone business, Hodges Badge.

Mr. Clark talked about how the enterprise zone program positively impacts the cluster of twenty-seven (27) marine-trades companies in the Melville sector of Portsmouth and that despite employment levels being down roughly 17%, those businesses are showing signs of growth: Hunt Yachts launched a brand new custom boat and New

England Boatworks just put a high-end racing boat in the water and are looking to expand their facility.

Mr. Clark talked about the town's tax stabilization plan and façade improvement program.

Mr. Clark mentioned that one of the best things to happen recently was that the town of Tiverton hired a full-time town planner for the first time and Chris Spencer, the town planner, is aggressively looking to reenergize economic development in the town by working closely with its local commission and the RIEDC.

Mr. Spencer introduced himself and talked about how he is working closely with the Tiverton Economic Development Commission on a number of issues and projects including re-establishing a dormant tax stabilization program in the town.

Mr. Spencer has created an Enterprise Zone Business information package that is available to companies interested in participating in the program. The town has been working very aggressively with a number of businesses on revitalization projects including the Bourne Mill, located on the north end of town, a 20- acre site comprised of 14-18 old historic deteriorating mill buildings that is being renovated into a new mixed- use project with 160 residential unit and 40,000 square feet of commercial/retail space. It represents a \$60-\$80M investment in the community and will have a positive economic

development impact on the existing local businesses.

Mr. Spencer talked about other things the town and the commission are doing, and plan to do, to support the enterprise zone and local economic development in general.

Mr. Wood asked what authority the Tiverton Economic Development Commission has - is it like a redevelopment agency?

Mr. Spencer stated that it was purely advisory in nature and had no permitting authority or anything.

Mr. Clark mentioned that the last portion of the re-designation question asked for suggestions to improve the program, to that end, he suggested that the Council reconsider the elimination of the wage test. He also stated that since participation levels are fairly consistent, the program should do more to support and encourage continuation of businesses in the program.

Mr. Spencer gave a brief update on the status of the Tiverton Industrial Park. He and Mr. Goncalo talked about the latest news on the power plant which is fully operational and may be adding some of the infrastructure needed for the park.

Mr. Varin pointed out that a transportation study for Aquidneck Island had been financed according to the redesignation proposal.

Mr. Gilstein confirmed that a 2-year study is under way. He added the they had also got a \$950,000 earmark for transportation improvements to the town center area to make that area truly walkable community.

Mr. Varin asked for a motion to approve the Portsmouth/Tiverton Enterprise Zone for 5-years beginning January 1, 2010. Mr. Parsons made the motion which was seconded by Mr. Langley. Mr. Varin asked if there was any further discussion. There being none, all voted in favor of the motion and the motion passed unanimously.

Mr. Varin asked if there was any other business to come before the Council. There being no other business to come before the Council, Mr. Varin asked for a motion to adjourn. Mr. Wood made the motion to adjourn. Mr. Parsons seconded the motion. All voted in favor of adjournment and the meeting was adjourned at 11:10 am.